Joe Freese, Manager of Engineering, was presented with the Gold Wings of Excellence for outstanding performance on the job. We recognize and appreciate Joe’s extra efforts to explore all avenues for improvement, not only for ABX but for all of ATSG. Great job, Joe!

Joe Freese receives the Gold Wings of Excellence from Phil Flowers, VP Aircraft Maintenance

Sr. Manager of Maintenance Control David McFarlane received the Gold Wings of Excellence in recognition of his efforts and dedication which go well beyond his job description in maintaining an overall awareness of the operational status of the ABX fleet. Awesome work, Dave.

David McFarlane receives the Gold Wings of Excellence from Rob Davis, Director of Maintenance and Technical Services

About the Gold Wings of Excellence

The Wings of Excellence program was established to recognize and reward Our People who demonstrate extraordinary performance, commitment to the Company, or community involvement.

There are two award levels: the Silver Wings of Excellence and the Gold Wings of Excellence. The Gold Wings of Excellence is ABX Air’s highest honor.

The Gold Wings of Excellence have been awarded 28 times since their inception in 2003.

Blood Drive a Success!

The American Red Cross Blood Mobile was at the Wilmington Air Park on Tuesday, December 18th. Employees of ATSG and its subsidiaries Gave the Gift of Life by donating 38 units of blood.

Your blood donations are used by those in need of transfusions for surgery, chemotherapy, and other medical conditions at area hospitals.

Tim Allen, ATSG Associate General Counsel, prepares to give blood.
This past year saw a number of initiatives that focused on our commitment to continuous improvement. In this issue we share the key accomplishments in 2018. I would like to thank every employee for the hard work you perform every night and day to keep our airline safe and successful. We look forward to a successful 2019.

– Dave Soaper

ON-TIME SERVICE PERFORMANCE

Our on-time service performance as measured by arrivals within 15 minutes of schedule for airline controllable delays:

<table>
<thead>
<tr>
<th>2018</th>
<th>On-time arrivals¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHL</td>
<td>97.21%</td>
</tr>
<tr>
<td>Amazon</td>
<td>98.10%</td>
</tr>
<tr>
<td>Combined</td>
<td>97.73%</td>
</tr>
</tbody>
</table>

¹ Within 15 minutes
Percentages are preliminary and subject to final approval by the customer.

FLEET

In 2018, the ABX fleet decreased by five aircraft. Five - 200 models were returned by our customers. Our sister company, Cargo Aircraft Management, leased four aircraft to foreign carriers and the fifth was parked due to cycle limits. At year end, ABX had 22 aircraft in service comprised of thirteen 767-200s and nine 767-300s.

REVENUE FLYING

We flew 16,950 segments in 2018 to over 53 destinations. This map shows locations we flew to in 2018.

CRAF missions are not shown due to security reasons.

SAFETY

Developed a Stabilized Approach Report Card and an annual goal to reduce unstable approaches with collaboration from the Flight Department and the FOQA Monitoring Team.

Successfully completed the U.S. Department of Defense Biennial Safety Survey with cooperation from all lines of business.

Started installation of aircraft Fire Bags designed to control in-flight lithium battery fires with collaboration from the Flight and Maintenance Departments. Complete fleet installation will be completed in 2019.

Implemented One Call Now, an Emergency Response messaging system, which improves the emergency response process.

Conducted a Safety Culture Survey in November to assess results and create an action plan to improve our Safety Culture in 2019.
FLIGHT OPERATIONS
- Went live with an Electronic Flight Bag (EFB) program to view aeronautical charts and ABX manuals using iPads on the flight deck. Full FAA certification expected first quarter 2019.
- Moved all required pilot recurrent simulator training out of November and December to maximize crew member availability enabling ABX to take advantage of additional peak period flying opportunities.
- Established an Operations Counsel to review processes and procedures that impact operations, including Flight, Maintenance, Ground and System Control, with a focus on solving problems and improving service for our customers.
- Added Known Crewmember program to enable pilots to bypass passenger security lines at participating airports.
- Reduced involuntary Emergency Assignments on days off by over 50% year-over-year.
- Developed new Pilot Bonus Pay Reconciliation sheet to increase transparency and detail to crewmembers.

AIRCRAFT MAINTENANCE
- Awarded the FAA Diamond Award as well as the National Air Transportation Aviation Maintenance Technician 5-star award.
- Continuing with the implementation of the MXI software project which will replace PMI in 2019.
- Instituted review of the top 5 maintenance contracts and established controls on invoice review and approvals, reducing costs by $2.6 million.
- Changed Line Maintenance strategies segmenting the A check program, performing most of the planned work being accomplished at outbase stations with the exception of non-destructive testing, engine borescopes and engine changes.

GROUND OPERATIONS
- Reduced aircraft weight and balance errors – zero events for the year as measured by departing station weight error of greater than 1,000 lbs.
- Maintained 99.9% reliability for delays attributable to ABX Loadmasters.

OTHER KEY ACCOMPLISHMENTS

2018 Retirements

Capt. Neil Beaumont
Capt. Randolph Brooks
Capt. Christopher Conklin
Capt. Mark Drews
Patrick Ederer, Maintenance Controller
Billie Flint, Scheduler/Router
James Gallagher, First Officer
Bob Greene, Director, Ground Operations, Compliance & Training
Jack Greenwood, Manager, Simulators
Steve Hanshey, Supervisor, Flight Technical Training
Capt. Hans “Jake” Jacobson
Capt. John Niewenhous
Capt. Bruce Onken
Joe Proffitt, Flight Technical Training Instructor
Michael Reed, First Officer
J C Reese Jr., Aircraft Maintenance Planner/Scheduler
Capt. David Ross
Capt. Jason Skeels
Capt. Gregory Watts
Laurie Wells, Supervisor, Benefits
Mark Wentz, First Officer

GENERAL
- Revived the retirement recognition program which includes a presentation of an ABX B767 model with a personalized years of service plaque.
- Raised over $165,000 – a new record – for the ATSG Fall Charity Drive. The charity drive supports eight charities that give back to our communities.

"Last year was another successful year for ABX Air with many positive developments. Everyone can be proud of these accomplishments. As we focus on 2019, we have set a number of corporate goals for ABX for continued improvement. We all must remain focused on safety, customer service, and cost control to remain successful. - Dave Soaper"
2019 ABX AIR GOALS

1. Provide on-time service of 98.5% or better for our two key customers.
2. Reduction in 2 & 4 hour delays and reduction of cancellations.
3. Reduce the established ABX Air Course Deviation baseline by 10% and reduce our Occupational Health and Safety Administration Reportable Injuries to 2.0 or below.
4. Successfully complete the 2019 ISOA audit renewal.
5. Reach agreement that is fair to our flight crew members and cost competitive for the Company to position the airline for growth in 2019 and beyond.
6. Implement SABLE Weight & Balance System for the Amazon system.

We will provide more information about 2019 goals in future issues of “ABX Air Cargo Express.”

Anniversary Celebrations!

January

30 Years
Linda Whited,
Airport Affairs Analyst

25 Years
Capt. Pedro Mudafort

15 Years
Jean Radcliffe,
Contract Administrator

5 Years
William Chan,
Field Supervisor (LAX)
Mark Higgins,
Line Maintenance Representative (BOS)

February

25 Years
Capt. John Denny
Capt. Roger Ebbe

5 Years
Jean-Marie Personna, International Line Maintenance Representative (PTY)
Joe Lawrence, Line Maintenance representative (JFK)

1 Year
Line Maintenance Representatives
Harvey Gong (CLT)
Kenston Drye (CLT)

First Officers
Jose Febres Rodriguez
Van Day

Are Your Emergency Contacts Up-to-Date?

Did you know you can update your Emergency Contacts in Employee Self-Service? Please take a few minutes and update your information. Under “Personal” in Self-Service, select “Emergency Contact” and review or enter your information. Doing so helps keep your important contact information up-to-date.

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